

Report of Independent Accountants

Docket No. 01-0662

James D. Ehr: 1/17/03- Affidavit
Attachment O

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To The Management of
SBC Communications Inc.

We have examined The Illinois Bell Telephone Company's (the "Company"), an indirect wholly owned subsidiary of SBC Communications Inc., compliance of reported performance measures with the Business Rules¹ for the Evaluation Period² and management's assertions, except those assertions in Column 4 of Section III in Attachment A of The Report of Management on Compliance With the Illinois Performance Measurement Business Rules and Corrective Action Implemented ("Report of Management"), regarding the status of any corrective action taken to date to address the instances of material noncompliance identified in the Report of Management. Management is responsible for the Company's compliance with the Business Rules and for the assertions regarding the status of the Company's corrective action. Our responsibility is to express an opinion on the Company's compliance with the Business Rules and on management's assertions regarding the status of any corrective action based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the Business Rules, evidence supporting management's assertions regarding the status of any corrective action, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the Business Rules.

The Company has applied certain interpretations of the Business Rules in the generation and reporting of performance measures as described in Attachment B of the Report of Management.

Our examination disclosed certain instances of material noncompliance³ with the Business Rules during the Evaluation Period as described in Column 3 of Attachment A of the Report of Management.

¹ "Business Rules" refer to the approved business rules in accordance with the Illinois Commerce Commission's Tariff: ILL CC. No. 20 - Part 2 - Section 10 - Section E, and referred to as Version 1.8_09_2001.

² The Evaluation Period refers to the months of March through May 2002.

³ "Material Noncompliance" refers to exceptions to compliance with the Business Rules for the months of March, April, and May 2002 that met either of the following criteria:

- a. The error, if corrected, would change the original reported performance measurement ("PM") result by five percent or more, and/or
- b. The error, if corrected, would cause the PM's original reported parity attainment/failure or benchmark attainment/failure to reverse.

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In our opinion, considering the Company's interpretations of the Business Rules discussed in Attachment B of the Report of Management, and except for the material noncompliance described in Column 3 of Attachment A of the Report of Management, the Company complied, in all material respects, with the Business Rules during the Evaluation Period. Additionally, in our opinion, management's assertions, regarding the status of the Company's corrective action, except with respect to those assertions in Column 4 of Section III in Attachment A of the Report of Management, are fairly stated, in all material respects.

This report is intended solely for the information and use of the Company and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Ernst & Young LLP

January 17, 2003